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Honorable Frederick P. Corbit
Hearing Date: September 6,
2017
Hearing Time: 2:00 p.m.
Response Date: August 30, 2017
Chapter 9

UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF WASHINGTON

In re

Case No. 17-02025-FPC9

Kennewick Public Hospital District,

Debtor.

**DECLARATION OF ROBERT
NELSON HERB IN SUPPORT
OF ADEQUATE
PROTECTION**

Robert Nelson Herb declares as follows:

1. I am employed in the capacity of Vice President, Global Asset Manager, Healthcare and Clean Technology Global Business Unit of De Lage Landen Financial Services, the managing member of Philips Medical Capital LLC ("PMC"). I am an authorized agent of PMC. I base this Declaration on my personal knowledge and on records kept in the ordinary course of PMC's business.
2. My responsibilities include management of a \$3 billion portfolio of healthcare assets. I develop and implement an asset management strategy that balances income opportunities while responsibly managing asset risk. My responsibilities also include policy development and risk management coordination, oversight and monitoring of all compliance related requirements, and remarketing of assets. I am directly responsible for the asset management function of PMC, which is 60% owned by De Lage Landen Financial Services.

HERB DECLARATION IN SUPPORT OF ADEQUATE
PROTECTION (No. 17-02025) - 1

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- 1 3. I have over twenty years' experience in the equipment leasing industry. My
2 experience in the industry includes asset management, strategic planning,
3 operations and commercial responsibility.
4
5 4. I am a frequent speaker to business audiences on topics such as lifecycle asset
6 management, modular equipment design, and sustainability.
7
8 5. I earned a Bachelor of Economics degree from Gettysburg College, in
9 Gettysburg, PA.
10
11 6. I earned a Masters of Business Administration from La Salle University in
12 Philadelphia, PA.
13
14 7. I completed the American Society of Appraisers' Machinery and Equipment
15 Valuation Methodology training course.
16
17 8. Attached as Exhibit 1 is a spreadsheet showing the monthly depreciation on the
18 Equipment described in the Security Interest Transactions.
19

20 I declare under penalty of perjury that the foregoing is true and correct.

21 DATED this 17th day of August, 2017 at Lake Placid, New York.

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Robert Nelson Herb

**Exhibit 1
Depreciation**

<u>Sched.</u> <u>No.</u>	<u>Lease</u> <u>Number</u>	<u>Equipment</u>	<u>Booking</u> <u>Date</u>	<u>Original</u> <u>Term</u>	<u>Remaining</u> <u>Term</u>	<u>Monthly Pmt</u>	<u>Total Cost</u>	<u>Useful Life in</u> <u>Years</u>	<u>% Useful Life</u> <u>as of 6/30/17</u>	<u>In-Place Fair</u> <u>Market Value as of</u> <u>6/30/17</u>	<u>Monthly</u> <u>Depreciation</u> <u>over</u> <u>remaining</u> <u>useful life</u>
4	101-10007917	PHILIPSHEARTSTART MRX / DELL Computer / BIODXMISC	Apr-13	84	40	\$ 7,085.90	\$ 380,837.07	7	52%	\$ 199,486.08	\$ 4,987.15
7	101-10016798	STERIS STERILIZER	Apr-13	84	43	\$ 1,054.76	\$ 53,016.12	8	55%	\$ 29,269.32	\$ 532.17
19	101-10019581	PHILIPS INTELLISPACE PORTAL	Dec-13	84	48	\$ 2,997.66	\$ 159,720.04	10	60%	\$ 95,832.02	\$ 1,140.86
23	101-10019219	PHILIPSCV UPGRADE to FD-20	Dec-13	84	48	\$ 5,356.47	\$ 285,156.20	10	60%	\$ 171,093.72	\$ 2,036.83
27	101-10019633	Janitor carts / safety cabinets /Sharp commercial Micro / PCI soak station	Dec-13	84	48	\$ 269.17	\$ 13,994.36	12	67%	\$ 9,329.57	\$ 86.38
33	101-10027410	Aerospray Lab Scanner / carts, Metro Basix / Clinitek Advantus Urine chem / IV stands	Dec-13	84	48	\$ 3,181.06	\$ 169,797.69	10	60%	\$ 101,878.61	\$ 1,212.84
40	101-10031927	OMNICELL PHARMACY	Dec-13	84	48	\$ 16,817.73	\$ 874,351.29	7	43%	\$ 374,721.98	\$ 7,806.71
56	101-10042324	Misc. Grainger equipment	Oct-14	84	58	\$ 169.52	\$ 16,993.94	12	60%	\$ 10,149.16	\$ 86.01
57	101-10042424	Grosslab workstation with accessories	Oct-14	84	56	\$ 329.02	\$ 33,987.94	15	69%	\$ 23,413.91	\$ 154.04
58	101-10045928	PHILIPS BRILLIANCE ICT SP	Jun-14	78	48	\$ 8,108.14	\$ 437,139.58	10	60%	\$ 262,283.75	\$ 2,914.26
60	101-10046695	glasses / lab and lead aprons	Oct-14	84	58	\$ 182.39	\$ 18,283.46	15	68%	\$ 12,392.12	\$ 80.47
62	101-10052112	25 KVA UPS	Jun-15	84	61	\$ 554.96	\$ 60,802.11	10	49%	\$ 29,894.37	\$ 308.19
63	101-10053546	Medication label printers / smartlift with scale / surg-e-vac digital smoke evacuation sys	May-15	84	65	\$ 74.37	\$ 8,311.28	10	46%	\$ 3,809.34	\$ 37.72
67	101-10054319	Olympus BX46 Single head Microscope	Feb-15	84	62	\$ 90.36	\$ 9,968.82	15	66%	\$ 6,535.12	\$ 41.36
Total											\$ 21,424.99